

# BUSINESS

Its Organization  
Management  
and Responsibilities

ROBERT Y. DURAND



**1. On line review of policy proposals:**

Over the years I've built up a fair amount of experience in this business; moreover, over the years top management has learned to trust my judgment. So I guess in most cases top management does rubber-stamp most of my proposals. They've come to accept my advice. This doesn't mean I've never made any mistakes. Far from it. But it illustrates the case.

**2. On staff influence in promotions:**

In a really critical case, if I disagreed with the line on a promotion, I'd take the battle up higher. Otherwise, I'd make my feelings known, and if they were disregarded, I'd let the line have its way. But I have been right in enough critical cases so that the line hesitates if I do not concur.

You have probably noted the emphasis placed on "excesses" of supervisory staff. They should be stressed, especially in view of the prevalence of the myth that staffs are actually "only advisory." However, all this does not imply, "This is bad—don't ever be caught with a supervisory staff." Rather, we should say, "This is dangerous—watch your step." Many dangers of supervisory staff are hidden, but its advantages are readily seen and are appealing. Large organizations probably could not function with only personal staff nor with a supervisory staff in a purely advisory role—unless they were very much decentralized. This is attested by the failure of so many valiant efforts to confine a supervisory staff to an advisory role.

**C. COMMITTEES**

There is no "committee form of organization." Committees may be and are extensively used in line-and-staff type organizations. Where debate, contribution of ideas, careful thought on long-range plans, or formulation of advisory opinion are the main things, committees are very well fitted—although not the only vehicle for these activities. These purposes are most often found in temporary or special projects, but they also occur in some "permanent" areas. The board of directors of any corporation is essentially a committee. Where two or more departments have overlapping interests, a properly functioning committee with representatives from each department may help to coordinate and reduce conflicts; a poorly functioning committee here could add to conflict, however.

**Committees in Organizational Structure**

The use of committees is not recommended at points where prompt



executive decision is required. The executive team is not a committee. Any committee, even one employed where a committee is well suited, may function badly. Committees are criticized for being irresponsible (a means of escaping responsibility for decision), for being good media for intrigue and sabotage (from within), for being bad employers (impersonal and irresponsible), and for their expense.<sup>11</sup> Committee procedures can be improved to offset some of these disadvantages.

Boards, councils, and committees, when they function properly, have some advantages quite apart from their effectiveness in deliberation.<sup>12</sup> Even when they fill an advisory role only, such bodies offer their members opportunity to participate in the determination of policy and build teamwork in deliberation and collective agreement. They do not train in individual decision-making, but those who participate may broaden their views and understanding. Persons who have been "in on" the discussion and formulation of policy better appreciate the meaning of the final decisions and are in better position to intelligently discharge the resulting orders than those who have not participated. Morale may also be bolstered by well-run committees. Another result may be enthusiasm for the particular decisions arrived at.

#### D. SPAN OF CONTROL

Adequate supervision, coordination, and control by one man can be exercised over only a limited number of subordinate activities (departments, units, or persons). As the number of activities "supervised" expands, the difficulty increases more rapidly than does the mere number of activities. To supervise four activities is often more than, and sometimes considerably more than, twice the job of supervising two of the same type. The reason is that the possibilities of interaction and interrelations among the activities increase very rapidly as the number increases. With two people and a supervisor there are six relations.<sup>13</sup> With three people and a supervisor, the total increases to eighteen.

<sup>11</sup> Criticisms are from L. Urwick, *Committees in Organisation*, a pamphlet published by the British Institute of Management, 1956. The pamphlet is a balanced statement of the pros and cons of using Committees and doesn't consist only of criticism.

<sup>12</sup> For the argument here, see the material on the executive council in the first paragraph of the section on *Other Arrangements for Relieving Burden on Executives* in Chapter 5.

<sup>13</sup> We can count them. Let our group be A, B, and the supervisor, S. Let us count them in groups of two or three, but eliminate the distinction in direction (i.e., regard A's relation to B as the same as B's relation to A). The six relations then are: (1) A to B, (2) A and B together to S, (3) A and S to B, (4) B and S to A, (5) A to S, and (6) B to S. You may note at once that certain of these relations might be of little or no significance to the supervisor's span of control.

#### Span of Control and Supervision

It is not the mere number of relations that limits the span of supervision. The number of those relations and whether they are similar or different. No set number can be quoted. If all clerks, all doing similar work and all reporting to each other, may be easier than if each is doing different work but closely related. A quarrel among themselves. So the span of control may increase the span of control by relations.<sup>15</sup>

But this is not all. Much also depends on the amount of self-control and on the amount of self-control of individuals. Supervision of a large number of relations poorly, and in which moral standards are low, where operations run smoothly. A manager wades in a sea of reports and it actually lacks adequate control. The general direction, organization, management of necessary information, and training of subordinates through responsibility of the type that is encouraged and the consultative approach to supervision, smoother operation, and of control.

#### The Bowler

A problem in line-staff relations. The Chicago (fictitious concern) made a

<sup>14</sup> No more than six has been a rule of thumb level. For an answer to criticism level, see "Manager's Span of Control," *Harvard Business Review*.

<sup>15</sup> Simple delegation of authority relies on the span of control of higher management.

<sup>16</sup> Detailed and complicated control is the purpose of management. See the discussion.

<sup>17</sup> The consultative approach is discussed in *Employee Participation in Planning* in (C)